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THE DIRECTOR OF CENTRAL INTELLIGENCE

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National Intelligence Officers

26 February 1979

MEMORANDUM FOR: Director of Central Intelligence

VIA:

Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM:

Robert C. Ames

National Intelligence Officer for Near East and

South Asia

SUBJECT:

Monthly Warning Assessment: Near East and South Asia

1. <u>Saudi Arabia</u> - Crown Prince Fahd is facing heightened difficulties with his health or his pro-US policies, or both. If he is in fact seriously ill (he has a history of diabetes and related problems), the succession problem—given King Khalid's own state of health—will have to be confronted again and may cause new strains within the royal family. If Fahd suffers only a "diplomatic illness," postponement of his visit to Washington may reflect increasingly widespread unhappiness in the Saudi royal family and government with Fahd's "special relationships" policy vis-a-vis the US. Either set of circumstances will weaken Fahd's position and the Saudis' inclination to cooperate easily with the US.

2. <u>Lebanon</u> - The Christian militias are stepping up training and rearming, with Israeli assistance, in anticipation of another confrontation with the Syrians. The Christian leadership remains adamant that the Syrians must leave Lebanon. The Syrians

- are just as intransigent. Unless the Lebanese government is able to field a meaningful army to replace the Syrians at various "hot points" the renewed daily flare ups will, once again, break out into full-scale battles that will occur not only in Beirut, but also in North Lebanon, where the Syrians have strengthened their presence.
- 3. Morocco Continued strikes staged by leftist controlled unions, coupled with a poor economic performance and an apparent no-win war in the Sahara, are a cause for the concern about the stability of Morocco. The morale of the army, in the wake of the government's indecision on response to Polisario raids, continues to decline. To date no single issue has coalesced these factors into a crisis, but the longer they simmer, the more likely an issue, probably Sahara-related, will emerge.

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25X1 25X1 4. <u>Iran</u> - Khomeini does not appear to be in full control in the highly radicalized environment in Iran. The strength of the left is growing and coalescing, while it must appear to them that Khomeini is indecisive and organizationally weak. It appears Khomeini will either have to negotiate with the left—thereby lending it legitimacy—or challenge it. Because he has no organized military or security force, a challenge could lead to all out civil war, which the left is better organized to handle. Unless Khomeini lets Bazargan start running the country and reorganizing the military quickly, the left will soon be in a position to call for inclusion in the government or a fight.

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- 6. Pakistan The potential for civil unrest and political instability is high. If President Zia has former Prime Minister Bhutto executed, Bhutto's followers may take to the streets. If Bhutto is spared, the Army leadership will be reinforced in its unhappiness with Zia and more inclined to move against him.
- 7. Iraq-Syria Rapprochement The surprisingly rapid pace of cooperation between Iraq and Syria back in November and December waned considerably when the Egyptian-Israeli treaty negotiations stagnated. However, rapprochement could be given renewed impetus if an Egyptian-Israeli treaty is signed or if Iraq becomes even more concerned about the potential for instability from the Islamic Republic of Iran.

Robert C. Ames

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